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IN THE

Supreme Court of the United States

OCTOBER TERM, 1961

No. 541

SPARTON CORPORATION,
Petitioner,
vs.
EVANS PRODUCTS COMPANY,
Respondent

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR
THE SIXTH CIRCUIT

REPLY BRIEF FOR PETITIONER

TOWNSEND F. BEAMAN,
501 Reynolds Building,
Jackson, Michigan,
Attorney for Petitioner.

Interstate Brief & Record Co., 356 Congress St. E., Detroit 26, Michigan

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ARGUMENT

Re Questions 1 and 2 of the Petition

The merits of Respondent's brief in opposition to the granting of the petition are best judged not by what is alleged but by what has been permitted to go unsaid.

On page 3, Respondent alleges that "this is plainly and simply a patent controversy of a familiar pattern in which Petitioner, though freely conceding infringement, sought to justify its appropriation of Respondent's developments by denying validity". Such an allegation strongly suggests that the developments of Respondent were on the market or were otherwise exposed to the Petitioner and the Petitioner, as a competitor of Respondent copied and marketed the same. What were the facts?

At the time the Petitioner entered the field in 1957, no patents had issued to or had been acquired by Respondent which were infringed by the Petitioner's TRI-BELT system regardless of their validity. This situation which influenced the Petitioner to enter the field was confirmed when the Respondent's Fahland Reissue patent was withdrawn prior to trial and when the lower courts held the Respondent's Nampa patent noninfringed. These were the only two patents the Respondent claimed were infringed at the time the Petitioner introduced its TRI-BELT system upon the market in May 1957.

Nor did the Petitioner, when it entered the field in 1957, have any knowledge of the pendency before the Patent Office of patent applications which matured in 1958 and 1959 into the Chapman *et al.* and Tobin patents.

In answer to Petitioner's Interrogatory 14 addressed to Chapman *et al.* patent, Respondent made it clear that in 1957, when Petitioner introduced its TRI-BELT system for freight cars, Respondent was not operating under the claims in suit, stating (J. App. 259a):

> "Defendant produced for the United States Government the structure disclosed and claimed in Patent No. 2,834,304, under a research and development contract which was completed on or about

June 30, 1954, but has not otherwise marketed the structure as defined by those of the claims of said Patent No. 2,834,304 upon which it will rely in this suit."

With regard to the Tobin patent, Petitioner had no opportunity to acquire knowledge of its disclosure prior to its granting date in 1959 and the Respondent does not contend that it did. This is confirmed by the Respondent's response to Petitioner's Interrogatory No. 61 (J. App. 265a & 266a) in which Petitioner does not dispute the statement by the patentee Tobin that no freight car ever had been equipped by Respondent in accordance with the disclosure of the Tobin patent.

Notwithstanding the factual situation set forth in the preceding paragraphs, the Respondent has characterized the present litigation as being of a "familiar pattern" with "appropriation of Respondent's developments". Such a characterization is unsupported by the record as "appropriation" of the kind the Respondent would like to convey to this Court could only follow an exposure to the subject matter appropriated. As the Petitioner's "exposure" to the disclosure of the Tobin patent was delayed until 1959, Petitioner's adoption in 1957 of the eccentric or off-set support of the end fitting structure of its cross bar could not have been an "appropriation" of one of the Respondent's developments.

As for the "appropriation" by Petitioner for the use of a latch between two rigid pins on the end fitting of a support structure as disclosed by the Chapman *et al.* patent, the Respondent only installed such a structure for use in freight cars in connection with a removable door post (J. App. 259a) and the Respondent contends that none of the claims in suit of the Chapman *et al.* patent cover the re-

movable door post as installed in freight cars. Thus the alleged "appropriation" of the Chapman *et al.* development is confined to the disclosure of the single installation of the ship dunnage equipment in a Navy ship which was completed in 1954.

Nature of Petitioner's Concession of Infringement

The infringement conceded by Petitioner was "infringement" of the language of the claims in suit. The claims in the Tobin patent were drafted by Respondent's patent counsel with the Petitioner's structure before him, while the Tobin application was still pending in the Patent Office. These claims call for a bracing member having freight-engaging faces which may be selectively presented to the freight with different degrees of snugness as a result of the eccentric location of the longitudinal axis of rotation of the bracing member. Tobin disclosed such structure, as did the prior patent to Van Deest No. 1,914,741 reproduced at pages 59a-61a of the Appendix to the Petition. Similar structure was employed by Petitioner. The mode of operation of this structural feature in both Tobin's and Petitioner's devices was the same and corresponded to the mode of operation of the prior employment of such a structural feature in the Van Deest patent.

As in the case of the Tobin patent, the claims in suit in the Chapman *et al.* patent were drafted by Respondent's patent counsel with Petitioner's construction before him and while the Chapman *et al.* application was pending before the Patent Office. With astute selection of language, patent counsel for Respondent was able to frame description which was readable upon the Petitioner's TRI-BELT system as well as upon structure present in the Chapman *et al.* application but having a completely different mode of

operation and an entirely different orientation of components. Respondent, in its brief at page 5, attempts to camouflage this situation by referring to "cross-bars" of the Chapman *et al.* patent and their alleged mode of operation with respect to the "belts" having three rows of holes.

The structure described as "cross-bars" by the Respondent are, in fact, the vertical posts of Chapman *et al.* shown on page 31a of the Appendix to the Petition and which extend between the floor and ceiling. These vertical posts do not correspond in mode of operation to the Petitioner's horizontal cross bars. The comparison in mode of operation of Petitioner's construction and the disclosure of the Chapman *et al.* must be made between Petitioner's horizontal cross bars and the Chapman *et al.* horizontal cross bars termed "tomming" bars and shown on page 32a of the Appendix of the Petition. When this is done, the difference in mode of operation becomes clear as does the lack of "appropriation" by Petitioner of the type the Respondent wishes to imply. Also, the advantages alleged at the bottom of page 7 of Respondent's brief become non-existent as the vertical posts (erroneously referred to as "cross-bars") have four similar faces, all concentrically supported, completely obviating any possibility of benefits flowing from rotation of the vertical post.

Length of Claims in Suit Should Not Insulate the Same from Review

The fact that the claims in suit describe the structure of the Chapman *et al.* and Tobin patents "with great particularity", as contended by the Respondent, should not insulate them from review by this Court in regard to the issues raised by Questions 1 and 2.

It is the Petitioner's contention that the points of alleged novelty which provide the so-called new mode of operation of the patents in suit are centered, on the one hand, about the latch of the Chapman *et al.* patent located between the two rigid pins of the end fitting and, on the other hand, about the off-center or eccentric location of the longitudinal axis of rotation of the bracing member of Tobin. There were no Findings by the lower courts that these structures, constituting the points of alleged novelty and new mode of operation, when applied to freight bracing bars and claimed in combination with other known structure in that particular field, perform any differently than they performed out of the combination claimed. The Finding of a new mode of operation by the Court of Appeals below, without any explanation as to how the center latch of the Chapman *et al.* patent or the off-set relation of the axis of rotation of Tobin perform any differently in the combination than they did out of it, should not prevent review of the issues raised by Questions 1 and 2.

Findings 8 and 12 of the District Court

Respondent, in its brief on pages 7 and 8, makes reference to the fact that Petitioner "does not challenge" the specific Findings 8 and 12 of the District Court. This assertion is partially true and for the reasons that these Findings are not germane to the issues raised by Questions 1 and 2 of the petition except to the extent the prior art establishes the structure constituting the points of alleged novelty of Chapman *et al.* and Tobin to be old and well known and that the function of such known structure in the combination of the patents in suit was the same as out of the combination. Petitioner contends that these structures, old in the prior art, performed the same function in

the prior art as they performed in the combination patents in suit. The courts below made no specific Findings on this point and such Findings are required by this Court to support validity of a combination patent. *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U. S. 147 (1950) 95 L. Ed. 162.

Question No. 3

Respondent contends that the present record does not, as asserted by Petitioner, show any "unequivocal offer to sell railroad freight bracing equipment corresponding to that being demonstrated in revenue service in a freight car". This contention is solely based by Respondent upon the fact that the offer and order (Def. Ex. 211-212) appearing at pages 68a-70a of the Appendix to the petition, do not specify the details of construction of the two removable door posts to be furnished with each car set.

Respondent does not contend, in regard to the above, that it made any changes in the structure of the removable door posts subsequent to the public showing in March 1952 (J. App. 266a-268a) and prior to the time the offer to sell such door posts was made on June 18, 1952. Nor does Respondent contend that there was any change in the construction of the removable door post between the date of the offer to sell and the time the order for such equipment was placed on August 13, 1952.

Moreover, Respondent is in no position to raise any doubt as to the construction of the end fitting upon the removable door post that was being offered for sale at the time the offer to sell was made on June 18, 1952. Prior to that time, the removable door post construction had been installed in freight car UP505071 and was shown to R. W. Wilber of the Detroit, Toledo & Ironton Railroad Company

(J. App. 266a-267a) In answering Interrogatories as to any changes that were made in the removable door post installed in car UP505071, Respondent was unable to locate any records of any changes either before or after the date the offer to sell was made (J. App. 267a-268a).

Respondent, in its answer to Interrogatory 21 (J. App. 259a) connected the structure of the removable door post installed in March 1952 in car UP505071, with the disclosure of the Chapman *et al.* patent in suit.

In view of the foregoing, it follows that at the time the offer to sell was made on June 18, 1952, the Respondent had a specific construction in mind with regard to the fabrication of its removable door post being offered for sale and that Mr. Wilber, representing the Detroit, Toledo & Ironton Railroad Company, had been shown the door post and knew what he was being offered. Thus, an unequivocal offer to sell a specific construction was made more than twelve months prior to the filing date of the Chapman *et al.* patent.

Experimental Stage Had Been Passed for Removable Door Posts

Respondent further contends that the removable door posts were in an experimental stage at the time the offer to sell was made and that only when the experimental stage has been passed does the offer to sell require the filing of an application within twelve months of the offer. This contention is contrary to the record.

From the time the removable door posts were installed in car UP505071 in March 1952 and until October 1, 1958 (J. App. 269a), there was no evidence that these posts were ever inspected by the Respondent or any report thereon received nor was a request for a report made to the Union

Pacific Railroad Company, the owner of car UP50571. There is nothing in the record indicating, to any degree, that the removable door posts, after being installed, were given experimental treatment or consideration beyond the date of the offer to sell made June 18, 1952. If there ever was an experimental stage it was terminated with the offer to sell.

The Latch Between the Two Rigid Pins of Chapman et al.

The third reason offered by the Respondent for denying Question 3 as a basis for the granting of this petition is concerned with the application of the claims in suit of the Chapman *et al.* patent to the removable door posts offered for sale on June 18, 1952.

While it is a fact that the claims in suit of Chapman *et al.* include reference to structural features not found in the removable door posts which were installed in the freight car in March 1952 and remained there until the latter part of 1958 before they were removed (J. App. 269a-271a), such missing features were known and prior art against Chapman *et al.* Only the use of the latch equally spaced between the two rigid pins was novel in a freight car, although its use was old in analogous fields. It was the alleged novelty of the latch and its relationship to the rigid pins upon which the patentability of the claims in suit were principally based. If this allegedly novel structure was used in a freight car and offered for sale more than twelve months prior to the filing of the Chapman *et al.* patent, this structure passed into the public domain and could not, thereafter, support patentability in a combination in which it performed in the same manner it had previously performed out of the combination.

CONCLUSION

It is respectfully submitted that the reasons advanced by the Respondent for denying this petition and to which the Petitioner has specifically responded in this reply brief, as well as the reasons advanced by the Respondent to which the Petitioner has not specifically responded and with respect to which the Petitioner relies upon the reasons given in the petition for response, are inadequate for the purposes offered. Accordingly, it is urged that the Writ of Certiorari should be granted.

Respectfully submitted,

TOWNSEND F. BEAMAN,
Attorney for Petitioner.

CERTIFICATE OF SERVICE

I certify that copies of the foregoing Reply Brief for Petitioner were duly served upon Respondent herein, by depositing same in the United States mail, first class postage prepaid, addressed to Harness, Dickey & Pierce, 7-141 General Motors Building, Detroit 2, Michigan, Attorneys for Respondent, on January 9, 1962.

TOWNSEND F. BEAMAN,
Attorney for Petitioner.